

CORPORATE CULTURE AS INSTRUMENT OF REGULATION OF SOCIAL AND LABOR RELATIONS

The first references of application of the term "corporate culture", "corporate spirit" are in XIII-XIX, at the beginning of the XX century [1; 2], however the system scientific ideas of corporate culture belong to the eighties of the XX century and are connected with the names of researchers T.J. Peters, R. H. Waterman, G. Hofstede and P. Turner [1]. They paid attention that the same administrative methods of impact on labor behavior of workers in different organizations show distinctions in behavioral responses which often are opposite. According to the researchers, the reason of this is in different cultural features, unequal labor traditions, values.

The perception of corporate culture as a regulator of staff social development and labor behavior began in the early eighties XX century when Terence E. Dil and Allan A. Kennedy declared the results of their observations. They clarified in 1982 that in addition to high qualification of staff, effective management, and the corporate culture which serves as the key to success in the internal and external markets is necessary.

The analysis of theoretical sources shows that throughout the XX-th and the beginning of the XXI century the idea of corporate culture, its mission, purposes, principles, means and opportunities of implementation essentially changed depending on formation of scientific management, change of a political system of the states, forms of ownership, dynamic changes in the culture dominating ideological values, norm of behavior, features of national consciousness [1]. Thus we watch very wide range of ideas of corporate culture.

Thus some authors as E. Shane, define it as a system of basic notions which aren't just described and recorded in documents and which the group follows, but also such which exist in the heads of people according to which their activities in this organization are carried out [4].

Other authors as K. Gold, see unique characteristics of features of the organization (enterprise) in corporate culture, select it among others [4].

We will note that the approaches concerning the essence and purpose of corporate culture reflect often debatable points of view in the Ukrainian scientific literature. By the way, the corporate culture is identified often with organizational culture in many scientific sources, we can agree with this just partially. The approaches which characterize corporate culture as a subsystem of organizational culture of the enterprise [7, p. 344], as the important regulator of social and labor relations we consider more acceptable.

Therefore, we agree with the point of view of Eskov O., Vyazankina A., Kitsak T., Paseka S. who consider corporate culture as an important factor of formation of staff organizational behavior and also the instrument of human resource management which provides long-time success of the enterprise on the market.

Reasoning in the same direction, Semykina M. defines corporate culture as a subsystem of organizational culture of the enterprise which reflects a set of certain values, norms and behavior models which are realized in practice by managers of the enterprises and their subordinates, bringing up efficiency to the needs of internal

development of the organization and requirements of an external environment in the course of adaptation [7, p. 345].

In our opinion, the influence of corporate culture on a status of social and labor relations should be just progressive, directed on stabilizing of such relations, positive changes in social development of work collective, increase in trust of workers and managers.

Therefore, we suggest the following definition: progressive corporate culture is a set of common goals, interests, values, traditions, rules and norms, standards of behavior which serve as driving forces for employers and employees of their partner cooperation in implementation of tasks of economic growth, innovative development, and competitiveness increase.

Developing scientific views, we will note that corporate culture has a row of features: system, historical development, social basis (reflects social interests, communications of the dominating group of people in the organization), close connection with mental, cultural, moral values of a certain nation, certain region. Neglecting these features provokes strengthening of contradictions in the social and labor relations, bringing the conflicts to extreme forms.

World experience proves that in development of corporate culture at the beginning of the XXI-th century there is a change of priorities towards rise of its role in high-quality development of labor potential, formation of stable partnership [1]. We see an explanation of high-quality changes of corporate culture, first, in more wide recognition of value of the human capital in connection with transition of mankind from industrial to informational society, secondly, in increase of a role of the latest knowledge and high technologies.

Against the background of these tendencies it is easy to realize that the increase of competitiveness of the enterprise in the XXI century can be connected only with innovative shifts in its development, and it is impossible without creation of a command of the partner adherents capable thanks to a common goal and the uniting values to aim for up-dating of knowledge, development of the innovations necessary for creation of competitive production, goods, services.

Therefore, it is not accidental that corporate culture of successful companies now differs. Managers and staff on the basis of partnership positively perceive and realize values of educational development, manifestation of innovative activity. Thus companies' owners not only encourage the statement of such values, but also stimulate formation of corporate spirit - feeling of unity in their implementation [1; 2; 3].

In other words, the corporate culture becomes the important social instrument of regulation of behavior, motivation, social interaction of employers and employees, works in favor of trust, harmonization of the social and labor relations.

Such functions of corporate culture are less taken into consideration by the managers in Ukraine though instability and strength of the social and labor relations in the country requires faster response and changes of traditional methods of management in labor sphere.

We will note that the interest in questions of corporate culture from the Ukrainian scientists-economists appeared not so long ago, preferentially during the market transformation of economy. This period is characterized by proclamation of a democratic way of development of the Ukrainian state, privatization processes, and renunciation of planned central management and monopolies of state ownership. For the last 20 years economy organization structure of the enterprises, forms of

ownership, methods of management changed, and the essence of social and labor relations is transformed, the regulations of work by collective agreements and social partnership appear. At the same time there is a realization of need of formation of overall objectives of activities, closer unity on the basis of determination of national idea, goals of development.

The thoughts the Ukrainian scientists Balyka O., Voronkova A., Dmytrenko G., Zinovyev F., Grishnova O., Kolot A., Semykina M., Petrova I., etc. are devote to the different aspects of corporate culture. The Ukrainian researchers almost unanimously focus attention that the corporate culture in the western understanding of this word so far in Ukraine isn't developed. Concerning this the experts note that the developed corporate culture was in a conflict with tasks of adaptation to the requirements of the competitive environment; democracy in the relations, social dialog, social partnership still remain very unusual occurrences at the Ukrainian enterprises. Their output that shortcomings and problems of formation of corporate culture are negatively reflected in motivation of staff to effective work, a status of social and labor relations, features of labor mentality that, in turn, becomes one of notable hindrances in support of effective activities of the enterprises deserves attention [10, p.119].

The least studied direction of this perspective is a regulation of social and labor relations with the help of corporate culture. In this sense it is important to see a major motivational role of corporate culture. We think that regulation of social and labor relations will be more effective if to provide coordination of key interests and values of employees with interests and values of employers, to reach compliance of system of incentives to labor expectation of the worker.

Certainly, the social dialog, manifestation of social responsibility of employers and hired workers is necessary for coordination of interests. We also agree with a judgment that high-quality up-dating of labor mentality is a basic condition [8].

It must be kept in mind that all employees of work collective have the specific needs, interests, peculiar values owing to different education, features of education, specifics of specialty, different experience, age, marital status, etc. However the consolidation of the general interests and values is necessary and possible. And as the most important instrument of formation of single command of partners is a progressive corporate culture which is urged to unite the most common interests, directions inducing to effective activities, accumulation of mutual trust - the social capital.

We will remind M. Warner and M. Pool's warnings concerning the need that the modern social control should be aimed at formation of progressive corporate culture which shall serve the purposes of effective activities and development [1]. Such culture, being reflected in standards of behavior for all employees, peculiar traditions, rules of activities, corporate actions, logos, company's image, is gradually acquired by each worker, reflected in his behavior, positive relation to work, colleagues, clients. This "corporate spirit» allows employees to be proud of the enterprise and to work for it still with bigger devotion, showing trust to management and colleagues.

It is worth note that the corporate culture is tightly interconnected with formation of methods of motivation (administrative, social and economic, moral and psychological) which define labor and innovative activity of workers. Methods of motivational influence should be created on the basis of a social dialog between administration and workers, by implementation of the purposes of collective and contractual regulation of work.

Methods of motivation provide all forms of the material and non-material stimulation and punishment of staff: increase or lowering of the size of compensation, premium, compensation packets, different privileges, advances or demotion, provision of possibility of professional development at the expense of enterprise assets (or a refusal), determination of higher or lower independence in work, enrichment of the work contents and so on. However, in that case when workers see that the proclaimed corporate values aren't realized, arrangements in the sphere of payment and working conditions are violated, the corporate culture loses the value and progressiveness, the social capital (trust) fails that negatively affects productivity of work.

Analyzing the influence of corporate culture on a status of social and labor relations at the enterprises of Kirovograd, Kyiv, Dnepropetrovsk regions the following has been revealed: the vast majority of the questioned workers (82%) are poorly informed on the purpose and values of corporate culture; most of respondents (92%) think that the corporate culture is related to ethics of behavior and doesn't influence the vital interests and needs of workers (including working conditions, compensation); 84% of respondents aren't satisfied with value of compensation; 66% of respondents specify the absence of close connection between labor efforts and gained income; 52% of respondents pay attention to the absence of close connection between education level and size of compensation; 48% of respondents emphasize excessive intensity of work which doesn't correspond to compensation level; 38% confident that the amount of earnings and career often depend not so much on results of work, but much more on the relations with a manager, therefore, this shows the prevalence of "double standards" in corporate culture; 46% of respondents don't trust labor unions, 78% don't trust directors in questions of the solution of payment and working conditions problems, overcoming of the conflicts; therefore, the social capital isn't created and thus the corporate culture is weak.

The aforesaid specifies about a weak role of corporate culture at the Ukrainian enterprises in regulation of the social and labor relations and overcoming of conflicts. We will note that the received results correlate with the estimates received by other researchers [10, page 110]

The theoretical analysis showed that the corporate culture should be considered as an important factor of regulation of social and labor relations at the enterprise and development of social capital. The corporate culture in the western understanding of this word isn't created in Ukraine so far. The corporate culture still poorly executes motivational functions on formation of progressive labor values. Formation of progressive corporate culture requires the active interaction of social partners. So, the perspectives of stabilizing of development of social and labor relations it is necessary to connect with formation of the progressive type of corporate culture oriented on saving labor values, up-dating of managers' and subordinates' consciousness towards the formation of social unity, social capital and social responsibility for results of joint activities, chosen values and the priority purposes.

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